



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

May 23, 2003

**H.R. 1614
HOPE VI Program Reauthorization and Small Community
Mainstreet Rejuvenation and Housing Act of 2003**

*As ordered reported by the House Committee on Financial Services
on May 21, 2003*

SUMMARY

H.R. 1614 would reauthorize the HOPE VI Revitalization for Severely Distressed Public Housing Program and would authorize the appropriation of such sums as may be necessary for each of fiscal years 2004 and 2005. The bill also would require the Department of Housing and Urban Development (HUD) to provide up to 5 percent of amounts appropriated for the HOPE VI program to assist smaller communities in the development of affordable housing for low-income families that is undertaken in connection with a main street revitalization or redevelopment project.

CBO estimates that the bill would authorize total appropriations of \$1.2 billion over the 2004-2008 period, assuming that annual levels are adjusted to keep pace with inflation. CBO estimates that appropriation of those amounts would result in additional outlays of \$553 million over that period. Enacting H.R. 1614 would not affect direct spending or revenues.

H.R. 1614 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1614 is shown in the following table. The costs of this legislation fall within budget function 600 (income security).

	By Fiscal Year, in Millions of Dollars					
	2003	2004	2005	2006	2007	2008
SPENDING SUBJECT TO APPROPRIATION						
HOPE VI Spending Under Current Law						
Budget Authority ^a	570	0	0	0	0	0
Estimated Outlays	508	542	546	481	373	264
Proposed Changes:						
HOPE VI Program Reauthorization						
Estimated Authorization Level	0	580	591	0	0	0
Estimated Outlays	0	0	12	87	193	234
HOPE VI Grants for Assisting Affordable Housing Through Main Street Projects						
Estimated Authorization Level	0	31	31	0	0	0
Estimated Outlays	0	0	1	5	10	12
Total Proposed Changes						
Estimated Authorization Level	0	610	622	0	0	0
Estimated Outlays	0	0	12	92	203	246
HOPE VI Spending Under H.R. 1614						
Estimated Authorization Level ^a	570	610	622	0	0	0
Estimated Outlays	508	542	558	573	576	510

a. The 2003 level is the amount appropriated for that year for the HOPE VI program.

BASIS OF ESTIMATE

Hope VI Program Reauthorization

Section 2 would authorize the appropriation of such sums as necessary for the HOPE VI program in 2004 and 2005. In 2003, \$570 million was appropriated for this program. Assuming appropriation of similar amounts after adjusting for inflation, CBO estimates that implementing this section would cost \$526 million through 2008.

HOPE VI Grants for Assisting Affordable Housing Through Main Street Projects

Section 3 would authorize HUD to provide up to 5 percent of the amount appropriated for the HOPE VI program for use by smaller communities (population below 30,000) for affordable housing activities in conjunction with the revitalization of a traditional commercial area. Assuming the appropriation of the necessary amounts, CBO estimates that implementing section 3 would cost \$28 million through 2008.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1614 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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